

THE FIRST
R.F.X. CONNOR
MEMORIAL LECTURE
1979



THE CONNOR LEGACY



DELIVERED
BY THE
HON. E.G. WHITLAM,
A.C., O.C.

Historical Journal Society of Wollongong Historical
Society, Wollongong, N.S.W. University of Wollongong,
Mar 1895 to 1, no 10 - 21cm

Frequency

0004 0011-0004

Available from The Secretary, University of Wollongong
Historical Society, P O Box 1144, Wollongong N.S.W. 2500
52 00 Aust.

I History - Periodicals I University of Wollongong Historical Society

II Title University of Wollongong Journal

[a75-00442]

UNIVERSITY OF WOLLONGONG
HISTORICAL SOCIETY

HISTORICAL JOURNAL
(Special Issue)

Volume 3, Number 1

November 1979.

THE INAUGURAL
R.F.X. CONNOR
MEMORIAL
LECTURE

"The Connor Legacy"

Delivered by the
Hon. E.G. Whitem,
A.C., O.C.
in the
Union Hall
of the
University of Wollongong
26 September, 1979

Sponsored by the
University of Wollongong
Historical Society

(Cover Photographs Courtesy of the Illawarra Daily Mercury)

(Photograph Facing Courtesy of the Illawarra Daily Mercury)



UNIVERSITY OF WOLLONGONG
HISTORICAL SOCIETY

Patron: The Chancellor Mr. Justice R. M. Hope

Office Bearer and Editorial Committee:

President:	Glen Mitchell
Vice-President:	Henry Lee
Secretary:	Dr. Stuart Pegg
Treasurer:	Don Dingdale



L. to R.: Dr. S. Pegg; Professor L. M. Barr, Vice-Chancellor, Glen Mitchell; The Hon. E. B. Williams, A.C., Q.C., Mr. Justice R. M. Hope; Henry Lee, Don Dingdale

(Photo: Courtesy of Illawarra Daily Mercury)

As before, the Secretary of the Historical Society, Dr Stuart Pegg, asked the audience to stand.

The official party, led by the Chancellor of the University of Wollongong, Mr Justice Hope, then entered the Union Hall. The Hon. E. G. Whitten, A.C., Q.C., was followed by the President of the Historical Society, Mr Glenn Mitchell, and the Vice-Chancellor, Professor L. M. Bitt.

There was sustained applause for Mr Whitten.

THE CHANCELLOR:

Mr Whitten, members of the Connor family, distinguished guests and ladies and gentlemen. We are here tonight to do honour to the late Mr Alex Connor, an outstanding citizen of this city, of this region and of Australia.

We are very grateful to Mr Whitten for giving to this evening the significance that it should have. It has, as you know, been arranged by the University Historical Society, and we are very much in their debt for having done something which is so appropriate for this occasion.

I now ask the President of that Society, Mr Glenn Mitchell, to say something to you about the proceedings for tonight.

THE PRESIDENT:

Chancellor, Vice-Chancellor, Mr Whitten, members of the Connor family, distinguished guests, ladies and gentlemen. As President of the University of Wollongong Historical Society I welcome you to this evening's Lecture.

Before the apologies are read I would like briefly to outline the reasons for instituting this series of annual Lectures.

The election of a Labor Government in 1972 exposed the need for long overdue social reforms and policies. This meant new policies for education, health, urban and regional development and our south-east Asian neighbours. It also brought recognition of the importance of minerals and energy.

R.F.X. Connor was Australia's first Minister to fill this vital portfolio and the current energy crisis has borne witness to the foresight of his appointment.



The Historical Society decided to name the Lectures in memory of the late R.F.X. Connor for three reasons. First, as a tribute to a man who represented Wollongong in Local, State and Federal Government from 1938 to 1977. Second, to honour his personal contribution to the debate on minerals and energy and, finally, to maintain public discussion on our natural resources.

It is the policy of the Historical Society to bring eminent speakers to deliver future Lectures in this series.

I now call upon Dr. Stuart Pugin, Secretary of the Historical Society, to read the apologies.

THE SECRETARY:

Chancellor, because both Federal and State Parliaments are sitting tonight, apologies have been received from the Hon. Neville Wran, O.G., Premier of New South Wales, the Hon. Rex Jackson, Member for Harbourside and Minister for Youth and Community Services, The Hon. L. Kelly, Member for Corral and Speaker of the Legislative Assembly, the Hon. P. Keating, Member for Blackland, the Hon. L. Johnson, Member for Hughes, Mr. Stewart West, Member for Cunningham, Mr. J. Keoh, Member for Wentworth, Mr. M. Baynes, Member for MacArthur, Mr. G. Petersen, Member for Illawarra, Mr. J. Hutton, Member for South Coast, Mr. W. Knott, Member for Wollondilly, and Mr. E. Ramsay, Member for Wollongong.

Apologies have also been received from Mrs. Whitlam who is to preside over an open conference starting tomorrow in Brisbane, and from Mr. M. Hale, former Director of the Wollongong Institute of Education, the Right Reverend Kenneth Short, Anglican Bishop in Wollongong, from Professor Ross Duncan, Chairman of the Department of History, and from Mr. C. Hall, General Manager of Australian Iron and Steel, Port Kembla.

THE CHANCELLOR:

I now ask Professor Bart, the Vice Chancellor, to welcome Mr. Whitlam to this occasion.

THE VICE CHANCELLOR:

Chancellor, Mr. Whitlam, Mr. President, distinguished guests, ladies and gentlemen. You will notice that the Chancellor did not ask me to introduce Mr. Whitlam, and I am glad that he did not because you will often have heard people in the position that I now occupy say that it is quite unnecessary for them to introduce Mr. So-and-So, and then proceed to do so. I do not intend to do that because it would quite simply be absurd. But what I do do and I do it very warmly on behalf of the University is to welcome you Mr. Whitlam.



I think it is just about two years since your last visit here on another occasion which honoured Alex Connor, then in the very last days of his life, and we remember that occasion with great pleasure, the pleasure of your visit. We remember it, also, of course, with sadness because it marked the end of Mr. Connor's service for the University as well as for the country.

I welcome you Mr. Wharton tonight, not so much because of your distinguished, outstanding and very lengthy contribution to the political and civic and social life of this country, but with an eye to your scholarly interests and your scholarly career.

You were educated at the University of Sydney. Being a University man I shall concentrate my attention narrowly on the University background that you have. You studied Arts and Law at that University. You are now a Visiting Fellow in the University from which I came here, the Australian National University, in the Department of Political and Social Change in the Research School of Pacific Studies. I mentioned that you are both teaching and researching there, under taking two major projects: a retrospective study of the workings of Parliament, Opposition and Government during your own years of association with them and a study of prospects in Australia's future relations with south-east Asia.

I am also told that you were very good at Latin as a student and perhaps beyond that time and I am reminded that the philosopher John Locke once said, "Can there be anything more ridiculous than that a father should waste his own money, and his son's time, in setting him to learn the Roman language. . . . Could it be believed. . . . that a child should be forced to learn the rudiments of a language, which he is never to use in the course of life which he is designed to, and neglect all the while the writing a good hand, and casting accounts, which are of great advantage in all conditions of life?"

Well, obviously your father hadn't taken that particular message to heart. Perhaps he, as I am, was a disciple of John Henry Newman who, defending the classical liberal tradition of education in Universities, said, "I say that a cultivated intellect, begets it is a good in itself, brings with it a power and a grace to every work and occupation which it undertakes, and enables us to be more useful, and to a greater number. . . . It is the education which gives a man a clear conscious view of his own opinions and judgements, a truth in developing them, an eloquence in expressing them and a force in urging them. . . . he has a gift which serves him in public, and supports him in retirement, without which good fortune is but vulgar, and with which failure and disappointment have a charm." I would suggest, Sir, that your intellectual qualities and your career provide in many ways a fine illustration of that, I think, very elegant and fine statement of Newman.

I would also like to remark that there is a link in time between your last period of service to this country in the political sphere and the University of Wollongong. Our Act was enacted in 1872. We were established as

an independent University in 1976. In Mr Whelan's report to Parliament in December 1973, at the end of the first twelve months of that Labor Government, he said, "The two great guiding themes of this Government have been (1) the promotion of equal opportunity for our people and (2) the promotion of Australian ownership and control of our industries and resources." And both themes, of course, are significant for us tonight.

The Labor Government's promotion of equal opportunity had many implications for the Universities. The Universities had flourished in relative terms since the early 1900s with the publication of the Murray Report and under the oversight, the general oversight, of another great champion of University education, Sir Robert Menzies. The national Labor Government took over the financial responsibilities of the States for tertiary education. Their other initiatives included the abolition of tuition fees, the introduction of the Tertiary Education Assistance Scheme, the inquiry into open tertiary education and, most importantly, the legislation which established the Tertiary Education Commission, a predecessor for regulating the development of tertiary education in this country - very many significant activities which we remember with gratitude and of which we reaped the fruit.

The second theme of Labor's first year in office is very relevant to this Lecture series and to the man to whose memory it is dedicated. Mr Connor, the Member for Cunningham, was Minister for Minerals and Energy, "the unending proponent of Australian ownership of our industries and resources."

Many people in this University will remember Mr Connor as a member of the University whose outward appearance in somber suit and hat seemed to mark him as a man of the old-style labour movement and the old-style Australian, and he was indeed deeply attached to and associated with the City, often portrayed as an iron and steel workingtones town. And yet, in fact, Rex Connor was a man who looked very much to the future. In areas such as conservation and environment he was a man with his own particular perspective about that future. In a recent book on the Labor Government, Michael Sexton quotes Rex Connor's statement of his personal philosophy. It reads in part, "No man is complete who lacks a cosmology, or who does not possess the knowledge that he is intermediate in status between the atom and the star. Man is, in fact, the microcosm of the macrocosm, and is in a process of evolution, of which present world doubts and fears are the outward symbols. Man, in fact, has yet to realise the significance of the inscription on the portals of Elina, 'Man know thyself.'"

Part of Rex Connor's legacy to the work of man in knowing himself is, of course, represented in this University. And so, it is most fitting that we commemorate Rex Connor through this Lecture series promoted by the University Historical Society and, I believe, most generous and most fitting that Mr Whelan has undertaken to deliver this first Lecture. Both men have an important place in the history of this nation. Both shared

ideals that underlie University activity, particularly the search for better understanding and thence the improvement of the human condition.

Mr. Whelan, once again I welcome you warmly and invite you to address this gathering this evening to give the first Connor Memorial Lecture.

As Mr. Whelan rose to speak there was prolonged applause

MR. WHITLAM

Chancellor, Vice-Chancellor, members of the Connor family and the University Historical Society, ladies and gentlemen

On 25 August 1977 this great city came to a standstill. The distress in their thousands, of all ages, in all walks of life, from many countries, lined the streets to pay their last tribute to Rex Connor. The hundreds who came from other parts of Australia and who had worked with him, and for him, saw what an impact he had made on his community during his 40 years of service on the city council and in the State and Federal Parliaments. To-night I make an assessment of the impact he has made on the nation in his achievements and aspirations as Australia's first Minister for Minerals and Energy.



In serving his country he never forgot his birthplace and the home of his family for four generations before him, Wollongong. He wasdux of Wollongong High and worked in a Wollongong solicitor's office to qualify as a solicitor himself. He worked for the City of Greater Wollongong to be created and then for it to be accepted as the centre of regional administration in south-eastern New South Wales. He was elected as one of the original aldermen of Wollongong City Council and served for six years. He was elected as MLA for Wollongong Kembla in 1959 and MP for Cunningham in 1963. He saw that Wollongong's prospects and security lay in coal, and he spent his life promoting and selling the world's oldest, most plentiful and most enduring underground energy resource. He saw that Wollongong would prosper by developing its great natural resource - coal - its great human resource - a skilled and educated work force - and its great natural feature - an excellent harbour. He secured the planning and construction of the Port Kembla inner harbour and its associated road systems. In every field - secondary and tertiary education, sport, recreation, the club movement - he was an active and forceful promoter of the interests and welfare of Wollongong and all its residents - those who were born there and those who had come there from other parts of Australia as well as from overseas.

When Connor transferred from the NSW Legislative Assembly to the House of Representatives at the end of 1963 he would commonly have been thought to be sceptical about me. He was, however, appeared to believe that I would be a successful leader of the party, and until his death he was a strong and constant supporter of mine for that position. After the 1966 House of Representatives elections I was elected the leader of the Federal Parliamentary Labor Party and he a member of its executive. I instituted the system of shadow

portfolios and asked him to specialise in minerals and energy.

A couple of months before the elections for the House in 1972 he attended the annual dinner of the Heavy Engineering Manufacturers Association, whose president was Mr. James Donald. He sat next to Sir Lennox Hewitt. Next day he told me that, if we won the elections, he would like to have Sir Lennox as the head of his department. I put the proposition to Sir Lennox, whom I had known for 30 years. After keeping me on tenter hooks for some days, he accepted.

When the Labor Ministry was sworn in on 19 December, 1972, Cassar knew more about minerals and energy at home and abroad than any person in the Parliament. He had a new Department, Minerals and Energy, and he had an exceptionally able and experienced public servant to head it. For 23 years, Federal Governments had left the discovery and development of Australia's mineral resources to State Governments and multi-national corporations. They had not followed the initiatives of the Chifley Government in establishing the Joint Coal Board with New South Wales and the aluminium industry in Tasmania, which had the cheapest and most plentiful electricity. In fact, one of the earliest actions of the Menzies Government was to sell the Government's majority shareholding in COB overseas.

At the time that the Labor Government was elected some minerals were already subject to export controls. Those for mineral sands (zircon, titanite and zircon) had been introduced to ensure elementary requirements in Australia and, in the case of zircon, to ensure a minimum export price. The export of iron ore was controlled to ensure that the export price was reasonable. The exports of refined copper, copper scrap, and copper alloy scrap were controlled to ensure that domestic industry had adequate supplies. The export of natural gas, a high grade fuel, was controlled to ensure reasonable provisions for Australia's needs. There were, however, significant gaps in Australia's export controls, for instance, bauxite, aluminium, nickel and coal.

Much the greatest part of Australia's unparalleled mineral development in recent years had been directed towards exports. This had stemmed from the need of foreign groups to ensure supplies of raw materials for their industries overseas, which they had achieved in part by purchase under contracts with Australia-based companies and by participation in the ownership of such companies. In those circumstances the adequacy of the export prices could be seriously affected by, first, combinations of overseas buyers presenting a united front to competing Australia suppliers, as had happened with sales of iron ore and coal, and, secondly, exports by foreign owned companies on the basis of cost of production or some similar non-commercial basis, as could happen with exports of aluminium from Gladstone. Such foreign groups might have little concern in developing the processing of minerals in Australia. Although the Australian mineral industry had up to that stage a fair record of processing it could not be assumed that company interests and national interests would coincide.

Following the revaluation of the Australian currency before Christmas 1972 it was found that the Federal Government did not have information on which to base a confident estimate of its effects upon the export sector from minerals. Nor was the extent known to which contracts were written in terms of Australian currency or the extent of overseas funds, loan and equity, invested in individual products. The government had no systematic and certain knowledge of the commercial arrangements for the sale of mineral resources apart from the contracts for iron ore sales, which were obtained under the existing export controls. It had to rely on public or semi public sources such as informal contacts with State governments, companies and the press. It was necessary to have complete and up-to-date information about export sale contracts.

There were particular problems in the Australian black coal industry. One company operating in New South Wales, Clutha Development Pty. Ltd., which contemplated closure of mines and dismantling, agreed to postpone such action until early in 1973 and then only after discussions with Bernard on 7 December 1972, and after his undertaking that the government would look at the problems of the industry as a matter of urgency. In addition, the Joint Coal Board received advance advice during December that other producers in the Hunter Valley were planning reductions in the level of output for early in 1973 and this would involve further dismissals.

In the previous ten years the Australian black coal industry had fundamentally altered from having an orientation primarily to the state of the Australian economy to becoming an international industry with large regions (such as the Hunter Valley and the Darling Downs Valley) heavily concerned with export volumes determined by the economic fortunes of other countries, particularly Japan. The industry, however, was not yet adequately organised, much less controlled, to fulfil its international role. The traditional organisation had been centred and still operated in terms of rival individual states. The major producer, New South Wales, still supplied about 80% of the internal market. In 1972-73 exports were estimated at 11.5 million tons from New South Wales and 15 million tons from Queensland, 43% and 57% respectively of total exports. Queensland's high growth in coal exports had considerably increased its total output in recent years.

Of total coal exports, 10% only from New South Wales came from open cut operations and the balance from underground mining. In contrast 88% of Queensland's export came from open cut. More than 90% of Australia's black coal reserves can be mined only by underground operations. That is true both of Queensland and New South Wales. In the latter state the Joint Coal Board had pursued a deliberate policy to ensure in the national interest that there was a balanced development of underground and open cut mining. In recent years in New South Wales no new mines had been authorised, some existing mines had not been developed to anything like potential capacity, production from open cuts had been restrained, stocks had been accumulated at great cost and employment maintained at a high level. In all these respects the reverse had been true of Queensland. All open cut export mines in New South Wales were subject to production limits determined by the Board, with

one exception, they were associated with underground operations is that the cost advantage of open cut operations was used to offset the higher cost of winning coal from underground. Open cut mining requires per ton only one-third of the labour needed for underground operations. There was no policy governing the relative production of underground and open cut coal in Queensland with operation decisions left entirely to individual proprietors. The rapid development of large-scale open-cut mining in Queensland and announced plans for additional very large projects based on long term export contracts raised the question whether Australia could be rapidly denuded of her readily mined high grade open cut coking coals and left with the more costly underground coal with significant effects on future costs of Australian industry and long term export capacities. With the ultimate exhaustion of open cut coal, Queensland underground coal production would be at a serious competitive disadvantage against New South Wales because of higher underground production costs associated with geological disturbances of its underground strata.

The Japanese market for export coals developed in the late 1960s and grew rapidly in the second half of the 1970s. Existing mines were expanded and new mines then opened up. Exports from the Queensland Bowen Basin had increased at a faster rate since the mid-1960s. Queensland exports for 1972-73 were expected to be nearly four times the volume of 1969-72 exports. Major overseas monopolists had quickly entered the Queensland export industry. The Utah-Mitsubishi consortium was typical. With the need for massive foreign contracts to offset high initial mechanisation of open cut mining such groups seized a major share of the export market by heavy price cutting. The strong growth of coking coal demand by Japan was halted in 1970. The Japanese, finding themselves overcommitted, reduced their planned annual imports of coal. There had been little increase in imports by Japan from New South Wales from 1970 but a high rate of growth of imports from Queensland at the lower open cut prices had been maintained.

The Japanese steel industry acted as a monolithic organisation through Nippon Steel Corporation for buying purposes and was without it, playing one supplier against another. They were also using physical arguments with other supplier countries, naming Australia as the threat. The Japanese said openly that their approach to the growing of Australian coal imports was based on cost, plus reasonable profit. The Japanese had an extensive knowledge of the costs and efficiencies of Australian coal producers. They sought to continue to profit by the competition created through passing excess capacity which had been created, with their connivance, in the older sectors of the industry, with supply at lower prices emerging elsewhere in Australia.

In 1971-72 the f.o.b. value of Australia's 21.5 million tons of coal exported was about \$424.0 million. The f.o.b. prices paid by Japan in August 1972 for three coals of high coking quality illustrate the serious price cutting in Australian coal exports. The price for Kyteate (U.S.A.) coal was \$US28.22 f.o.b. per ton, Coalcliff underground coal from the South Coast of New South Wales and of slightly lower quality than Kyteate, v. n.

\$US16.65 per ton, Peak Durbin, Queensland coal, the quality of which is intermediate between Keystone and Colditz but produced by open cut, sold for \$US13.64 per ton.

In the period January-October 1972, the weighted average landed a.a.f. price in Japan for all types of coal was \$US22.32 a ton, whilst for Australian coal it was \$US17.42 per ton. Even when allowances were made for quality factors and coal types it was clear that Australian coal exports to Japan were consistently cheaper than those from other countries. Producers feel that in their belief Queensland coal under properly negotiated contracts could sell to Japan at prices at least \$US3 a ton higher and N.S.W. coal at prices at least \$US2 per ton higher. On this basis Australia would lose at least \$453 million in coal export income for 1973-74. These losses would continue for many years because of the very long term and consistently lower prices of the open cut export contracts.

There had been no agreement or collusion about the marketing of coal between colliery proprietors in New South Wales and Queensland. Despite attempts to achieve unity amongst the proprietors in New South Wales alone exporters through Newcastle remained disunited and unable to co-operate with one another. Methods of production planning and marketing, to match Japanese unity and sophistication, could only be imposed by the national government. Only Federal government control over coal exports could assure that future contracts were negotiated at prices which reflected their true value in export markets. Australia was indispensable to Japan as a reliable supplier of raw materials and in the long run the Japanese would be unlikely to discriminate against Australia so long as our prices were competitive with other supplies to the Japanese market.

Conner promptly made submissions on all these matters to Cabinet. Before the end of January, 1973, the government decided to amend the Customs (Prohibited Exports) Regulations to provide for all minerals, either in raw or semi-processed form to be subject to export controls. The government's objectives were to achieve, first, that Australian export prices were at a reasonable level in relation to export prices from other countries and, secondly, that Australia's mineral resources were given balanced development so that production for export was consistent with the best interests of Australia. In view of the importance of Japanese and some other major markets for mineral exports, the government gave prior advice of its intentions to those governments before announcing the introduction of the export controls and the government's broad policy objectives.

Conner's comprehension of the situation and his approach to it gave him early and immense authority in the Cabinet. His proposals had an immediate and enduring effect in the country. The Government could now directly intervene in negotiations between Australian producers and overseas purchasers. If the price was not acceptable to the Government, the producer or producers would not be given a permit to export the mineral products concerned. This meant that, for the first time, Australian mineral producers were negotiating with collectively organised overseas buyers on a collective basis themselves. It was the only sensible policy possible,

as we were dealing with cartels, it was appropriate and necessary that we formed a cartel ourselves. If multi-nationals could set prices that maximised returns from the manipulation of international markets, it was appropriate and necessary that Australia set prices that maximised her returns from her participation in international markets.

The results spoke for themselves. During the first two and a half years that Labor was in office, we managed to raise the price of Queensland hard coking export coal from \$32 a tonne to \$36 a tonne, and of export coal from Blackwater and Peak Downs in Queensland from \$13 a tonne to \$46 a tonne. While the price of coal went up worldwide, the prices we obtained were at least \$6 a tonne more than any of the various colliery representatives had been able to reach while attempting to negotiate individually with Japanese steel mills. We convinced the Japanese steel mills to agree to take increasing quantities of coal each year until 1980, regardless of market fluctuations. The level of exports by 1980 was to be between 50% and 65% higher than in 1975. We obtained guarantees that prices could be renegotiated every 12 months to take account of inflation and currency valuations. Through astute negotiation skills and shrewd determination, Connor was able to secure the future of the Australian Coal industry to such an extent that in October, 1974, he said "In Australia today, we no longer ride on the sheep's back, we ride on the coal truck."

We obtained higher prices for exporters of iron ore in line with world parity prices, and obtained compensation from the Japanese steel industry for the devaluation of the U.S. dollar in early 1973, following discussions between Connor and the Japanese ambassador and representatives of Nippon Steel. Following the recognition of China and the signing of the Australia-China Trade Agreement in July, 1973, we arranged for the first Chinese contract with Australian iron ore suppliers, opening up a market that, in the light of China's plans for the Four Modernisations, should be extremely lucrative for Australian ore producers.

The Government was able to reconcile the conflicting interests of mineral sands producers, who had brought themselves into an oversupply situation in 1975 following the boom in demand for diatom between 1972 and 1974. We set a floor price for diatom exports, established a Mineral Sands Advisory Committee of industry and Government officials, and required all new ventures to provide a 'market impact statement' prior to receiving approval to negotiate contracts.

The Government also ensured that Australia's copper mining industry acted in the better interests of Australia's manufacturing industry when restrictions were placed upon the export of copper goods following a paradoxical shortage of copper in Australia during a heavy flow of copper and copper goods out of the country. The flow resulted from a 30% difference between the prices received for copper on the domestic and international markets but was creating bottlenecks for local manufacturers.



Since assuming office in 1935, Mr. Anthony has found, much to the displeasure of colleagues less knowledgeable and perhaps less concerned about the effects of mineral pricing, that Rex Connor was right in intervening as he did in the negotiation of contracts. In the last two years apparent iron ore prices have fallen by 10%. The real fall is even greater, as the 30% appreciation of the yen against the U.S. and Australian dollars has occurred without any successful attempt to renegotiate contracts to arrange compensation for currency valuation changes. Real iron ore prices are at their lowest level in 15 years.

Coal producers, after some old-style cut-throat competition for access to Japanese markets, recently accepted a 6% decrease in apparent prices, so that with currency movements the real price paid for Australian coal was-a-vit other coal is back to 1972 levels. Meanwhile Nippon Steel and Nippon Kokan increased their profits by 185% and 100% respectively last financial year.

It is no surprise, then, that Mr. Anthony sought to reimpose export controls upon a number of minerals, including iron ore, bauxite, alumina, gas and coal. The helplessness of Australian suppliers when negotiating with Japan was still obvious and it must also have been clear to him that floor prices for minerals were no more evil than floor prices for wool. The protestations of Premier and pundits robbed him of the right to exercise controls on iron ore, but he has managed to keep those on coal, alumina and bauxite. It is an eternal dilemma for Liberal and National Country Party ministers in charge of minerals: policies that they must maintain the prices received by the mining companies which they covertly represent while espousing a philosophy of non-intervention and actively encouraging as much new development of mines and operations as possible, regardless of the impact upon market conditions.

The other major problem regarding export prices in 1973 was that countries supplying raw materials were engaged in cut-throat competition to secure the favour of purchasing countries in markets that were virtual monopolies. Coupled with this was the inherent instability in commodity prices on the world market. The Labor Government recognised that it had to act with responsibility in the international market in order to enhance both our own welfare and that of the developing countries in our region and elsewhere. Once again, as we were dealing with cartels, it was both appropriate and necessary that we form cartels ourselves.

At the Commonwealth Heads of Government meeting in Ottawa in August 1973, I suggested that once Commonwealth countries such as Australia, Jamaica, Guyana, Ghana and Sierra Leone between them accounted for most of the world exports of bauxite they should consult on how their resources should be exploited and marketed. Heath, who felt very much an odd-man out at the conference with the advent of the Labor Prime Ministers from Australia and New Zealand, became apoplectic at the idea that governments should concern themselves with matters which were traditionally the concern of multinational companies. He thought it pre-

sentious for Commonwealth developing members to raise such issues. Nevertheless the Agreement establishing the International Bauxite Association was drawn up on 8 March, 1934. On 17 September Australia signed it and on 9 October ratified it. The five Commonwealth countries have been joined by six others. The members supply 80% of world exports. Australia's reputation has since suffered because the Fraser government has not honoured its obligations under the IBA.

The Agreement establishing the Association of Iron Ore Exporting Countries (AIOEC) was drawn up on 3 April, 1976. On 19 July, Australia signed it. Sweden and seven developing countries belong to it, supplying between them nearly half the world exports.

In April, 1976, when Bowen and I were on the way to the next Commonwealth meeting in Jamaica, the Peruvian government suggested that Australia should join the Intergovernmental Council for Copper Exporting Countries (CIPEC), founded by Chile, Peru, Zaire and Zambia and later joined by Indonesia as a full member, between them they provided 65 to 60% of world exports. On 17 November, 1976, Australia duly became an associate member, the others are Papua New Guinea and Yugoslavia. CIPEC now covers at least two thirds of world exports.

Meanwhile the Fifth International Tin Agreement with Annexes was drawn up on 21 June, 1976. The Labor Government had been proposing to sign and ratify it. The Fraser Government did so on 28 April, 1976, and 9 November 1976, respectively.

Connor and I discussed the costs and supplies of fertilisers. The traditional sources in Nauru, Ocean Island and Christmas Island were running out. Morocco and other North African countries, accounting for more than 40% of world production, greatly raised their prices in 1974. The resources at Duchess in north western Queensland presented an opportunity of guaranteeing supplies and reducing prices for superphosphate throughout Australia. There was the prospect of involving the Australian and New Zealand Governments in the development of Duchess as they had hitherto been involved in the operations of the British Phosphate Commission in the Indian Ocean and South Pacific.

Once again the actions of our successors have vindicated our stance, although their conservative political philosophies have forced them to make often contradictory policies. Although they abandoned Australia's commitment to the International Bauxite Association, at the insistence of the multinational corporations who mine bauxite and transfer prices and profits overseas, they found no moral repugnance in joining the International Sugar Agreement or even in encouraging the United States to join.

Similarly, although they have eschewed the use of formal price controls on iron ore exports, at the insistence of the two most reactionary State Premiers and some Liberal Party boneheads (to use Mr. Anthony's

eloquent epithet], our successors have found themselves suddenly willing and able to comply with Brazil on the sale of iron ore to Japan.

When we were in office, it was alleged by the forces of reaction that we were inhibiting the efficient development of Australia's mineral resources and that our efforts in international negotiations only earned us disrespect and cost us many contracts. As will have been seen, such allegations have no resemblance to reality. In fact between 1972-73 and 1976-78, the period in which we were in office, production of coal in tonnes increased by 18%, of iron ore by 24% and of bauxite by 34%. The weighted average increase for all mineral products was 20%. More importantly, the total value of mineral production rose a total of 93%, reflecting the higher rewards the Australian government obtained for producers. Yet Center and the Labor Government did not seek to encourage the rapid exhaustion of mineral resources. Rather, there was a program for mineral development in the best interests of Australia.

We can compare this with the present situation, in which we see the uncontrolled upheaval of our resources. Even though one would expect Australia, as a developed country, to be able to afford more planned development of its mineral resources, we find that Australia's mines are being emptied on average at a much faster rate than those in the rest of the world. Figures from the Bureau of Mineral Resources show that Australia has only 11% of world bauxite reserves, yet is responsible for an immense 30% of world bauxite production. She has 24% of known coal reserves but 38% of world known coal production. She has 8% of iron ore reserves but 11% of iron ore production. She has 7% of limestone reserves but 27% of limestone production. She has 2% of nickel reserves but 10% of world nickel production. She has 2% of tin reserves but 8% of tin production. She has 20% of rutile reserves but an incredible 60% of rutile production. By the end of the century we shall have exhausted our supplies of tin and nickel, and probably rutile, though the other producers of the world will have another 60 years worth of these minerals left because of the subsidies and license-fee exploitation policies of present and previous Liberal Governments. Our grandchildren will condemn them for denying them the right to share in Australia's richest heritage.

In the meantime it is the Liberals, not the Labor Government, that have invited ridicule from overseas. Under Labor, Australia took a firm, responsible and consistent stance for the defence of her own interests and those of her developing neighbours. Nowadays the Australian government says it supports an integrated program for commodities one minute and then repudiates one such commodity agreement the next. It supports reduced protection to enable developing countries to reduce their dependence upon mineral exports one minute and then raises tariffs the next. How can we gain respect when behaving like this? Under Labor, Australian mineral producers were a force to be reckoned with overseas. The Australian Government was heeded and respected by buyers from Japan and elsewhere. Nowadays the Australian producers are weakened by their bickering and mis-

easy targets for overseas combines. The Japanese steel mills are laughing all the way to the bank. The Government is huffing and puffing at the European Community over its rural protectionist policy one minute and sending its mineral exporters to Japan like lambs to the slaughter the next. We invite ridicule, not respect, when behaving like this.

Successive conservative governments refused to collect or collate data on mining investments and contracts. When the then Bureau of Census and Statistics published figures showing a 62% increase in the proportion of mining production attributable to overseas-controlled firms between 1964 and 1968, the Government of the day directed that the Bureau should not keep such statistics any longer.

State Governments were as guilty as the Commonwealth in neglecting or withholding information. Under the 1968-69 Commonwealth/State Agreement on offshore petroleum resources, States were required to forward all records and reports on offshore exploration by oil companies, yet in 1971 and 1972 the Director of the Bureau of Mineral Resources reported to the Commonwealth Government that Western Australia, South Australia, New South Wales and Queensland were all acting in breach of agreement and failing to provide the Commonwealth with sufficient information. Thus the Commonwealth had no idea whatsoever of the extent of our offshore oil reserves, particularly in the North West Shelf. It was not until 1973 that a satisfactory flow of information to the Commonwealth about the Shelf commenced.

As part of an effort to counter this lack of knowledge about the mining industry, Mr. Justice Collins was appointed a Royal Commissioner into the petroleum industry; he delivered his reports to the Fraser Government, which has ignored them. Connor engaged Mr. Tom Fitzgerald, formerly of the Sydney Morning Herald, News Limited and the Melbourne Institute of Applied Economic and Social Research, to report upon the contribution of the mineral industry to Australian welfare. His report, released in April, 1974, was an indictment of the policies of the previous governments. It revealed that in the six years from 1967-68 to 1972-73 the Commonwealth's total receipts from the principal mining companies in the form of company income tax and mineral royalties was only \$288 million. This was less than 14% of declared pre-tax profits of those companies, compared with 47% of such profits paid as tax by all trading enterprises. Yet in the same period, the Australian Government had paid assistance to three mining companies through income tax concessions to investors, subsidies, bounty payments and expenditure by the Bureau of Mineral Resources to the value of \$341 million. Instead of contributing to the Consolidated Revenue Fund, as even the highly protected manufacturing sector did, the mining industry had siphoned \$55 million - almost \$10 million a year - from Australian taxpayers. The State governments, who spared themselves in an attempt to reduce the mining companies into their backdoor, collected royalties that usually undervalued the economic rent they were entitled to. Consequently, while in New South Wales royalties represented 16% of mine production less salaries and wages in 1968, in Western Australia the

them, process them and market them, so that it would be one of the few Australian concerns to participate in the highly profitable activities of processing and marketing. Unlike the multinationals, however, it would do nothing to benefit to the people of Australia – and that meant all the people, not just a few thousand shareholders.

The concept of the PMA recognised the responsibility of any government in a capitalist economy for ensuring that a nation's resources were used in the interests of that nation – a responsibility that had already been recognised in this manner by the governments of Britain, France, Italy, Canada, Norway, South Africa, Argentina, Brazil, Mexico, Iran, Iraq, India, Indonesia, the Philippines, New Zealand and Japan – and carried on a tradition of public involvement in commercial enterprises exemplified by the Commonwealth Bank, Dampier, and TAA. (In fact, the Commonwealth Oil refineries had been over 50% owned by the Australian government from 1920 until 1932 when the government's share in the energy investment was sold by Menzies, as Mr. Fraser is doing 37 years later.)

Yet the Opposition Liberal and Country Parties, in control of the Senate, and a number of State Governments, delinquently but deliberately obstructed our initiatives all the way. They set out to protect the foreign interests that had been living like parasites off the Australian people, whose activities no patriot, no person with any sense of justice could support.

On 4 December, 1933, Connor introduced the Petroleum and Minerals Authority Bill. It was considered and passed after divisions by the House on 12 December. It was introduced in the Senate on 13 December. The Liberal Spokesman stated:

'As I think is probably well known, it is the intention of the Liberal Party Opposition to oppose totally this Bill, and it will be voting against it.'

The Attorney General stated in opposing a motion to adjourn the debate to February:

'I indicate that the Government will oppose this motion. I understand from the intimations given that the opposition parties are combined on the issue, and that the will of the Government will not prevail.'

The motion to adjourn, however, was carried. The Government believed that the Senate's actions constituted a failure to pass the proposed law within the meaning of Section 57 of the Constitution dealing with double dissolution. On 7 March, 1934, in a new session, the House sent a message to the Senate requesting it to resume consideration of the Bill. The Senate debated and rejected the Bill on 2 April. On 8 April, the Bill was introduced and passed in the House and then introduced and debated in the Senate. On 10 April, the Senate set it aside. It was one of the Bills on which Governor-General Hudduck simultaneously dissolved both Houses on 11 April. When the Parliament resumed after the elections the Senate again rejected the Bill, Senator Steele Hall voting with the opposition and giving it a majority of two, but it was affirmed at the joint sitting of both Houses.



on 7 August, 1974, despite Senator Hall's vote, by a majority of four.

Some of the States then challenged the legislation in the High Court. Argument before the Court concluded on 27 February, 1975. The Court did not deliver its judgement till 24 June, after the Court had heard argument in the Offshore Sovereignty test. The Chief Justice made a practice of not assembling the Court to deliver judgements in any constitutional case until argument had at least commenced in the next constitutional case. This was to look at the only justice who was older than himself so that that justice could not resign as he wished and my Government could not appoint a successor. The issue was whether the Senate had failed to pass the Bill on 13 December, and whether the requisite three months' interval had occurred before the House of Representatives again passed the Bill on 5 April. The majority of the Court held in a manifestation of monumental innocence that the Senate's treatment of the Petroleum and Minerals Authority Bill on 13 December, 1973, did not amount to a failure to pass. The Bill therefore, in the opinion of the majority, should not have been the basis for the double dissolution. (One wonders what would have been the position of the Parliament elected after the double dissolution if the dissolution had been based on the PMA Bill alone.)

Thus the Bill which Connor reintroduced on 4 December, 1973, was disallowed by the Court 38 months later.

With great foresight, Connor had previously established and registered a Petroleum and Minerals Company of Australia Pty. Ltd., in the A.C.T. as a means of continuing the operations of the PMA if this became necessary, its two nominal shareholders were the Permanent Head of the Department of Minerals and Energy and the Head of the PMA. It was through this that the obligations of the PMA would be fulfilled. Money was to be transferred to the company from the Treasurer's advance, a contingency fund used more strictly to purchase VIP transport for Mr. Fraser. It was a legalist means of overcoming the problems of the legalistic ruling of the High Court. But suddenly Treasury, the bureaucratic denizen of laissez-faire ideologies, became obstructive to our plans for satisfying our mandate, and argued that it was an irregular but not, it conceded, an illegal use of the Contingency Fund. The continued attempts by Treasury to subvert Government policy were evident in all areas. They were particularly evident in Minerals and Energy because of Treasury's ideological abhorrence for any form of long-term planning, and this was perhaps the field in which planning would be most crucial for Australia's future. It is a sad step backward that the present Government has unthinkingly accepted the Treasury line on many aspects of energy policy, despite the advice of its own attenuated Department of National Development.

With or without the existence of the PMA, however, the re-acquisition and prompt development of Australia's mineral heritage required more money than was available in terms of domestic budget constraints and more money than could possibly be available on the domestic capital market. For this reason, Connor was

attracted in November, 1974, to the prospect of borrowing some of the Arab petro-dollars which had become available during that year. In December, he proposed to borrow \$US4,000 million and reduced it later in January 1975 to \$US2,000 million. His full list of urgent energy items together with indicative order of cost was:

	\$A/m
Pipelines, Cooper Basin - Palm Valley	220
Palm Valley - Damper	400
Damper - Perth	360
Submarine Pipeline, Damper - North Rankin	225
Petro-Chemical Plant, Damper (Government share)	750
3 Uranium Mining and Milling Plants	225
Cooper Basin - Refinancing To field recovery	200
Liquid fuel to feed etc	40
Railway Electrification	150
Coal Hydrogenation	200
Coal Exporting Harbours - Upgrading	300
	2960

With this money we could have made Australians the shareholders in and the beneficiaries of Australian resources. Each State would have benefited directly from projects within its territory. It was an idea for which we were condemned by the Liberal and Country Parties and their associates in the press, yet over \$2,000 million has been borrowed overseas by the present Government in its first three budgets for the purpose of propping up the dollar. This compares with a net figure of zero borrowings overseas in budgets of the Labor Government. And whereas the present government has mortgaged future generations of taxpayers to pay for this temporary support for the dollar, there would have been no burden upon the taxpayer to repay the Coomer loans as the returns from the projects invested in would have more than accounted for the repayments. Meanwhile, foreign investors are recognising the immense potential that Australia's resources present, as did the Labor Government, and are undertaking projects that Australian companies are unable and the Australian Government is unwilling to undertake. Australia is losing the initiative to foreign interests.

Australia now rejoices in an Energy Minister who is allowed to conspire with the oil companies to withhold information about the imminent shortage of petroleum from the Parliament and the people, to mislead the Parliament about the granting of oil exploration leases in the Great Barrier Reef, and, knowing full well that our human source of aviation gas was to be cut off, to mislead the Parliament about the supplies of aviation

gas in Australia and export of natural gas to the Middle East.

The Treasury refused to co-operate in Connor's proposals and senior officials kept Lynch informed of them. The proposals were abandoned in May, 1975. It is interesting to read now the obscure scenario in the House of Representatives on 9 July, 1975. Note the participants: Fraser with his industrial proposals prepared by Australia's biggest corporate criminal, Lynch with his land dealings withheld from the House by Fraser, Sedair with his family undertakings still under investigation. In this galaxy the most villainous was Elliott, who pursued his vendetta to the grave, for, despite the statements he received on becoming Attorney-General from his officers and from the Solicitor-General and the advice he received from two senior counsel, he did nothing to deter the notorious private prosecution at Queensland airt, despite the Government's decision in May, 1977, to pay the defendants' costs. In that prosecution, he waited till 13 August, to convey the decision to Connor's and my solicitor. Connor died on 22 August. His reputation was utterly vindicated in the hearing at Queensland 15 months later.

Connor had introduced his PMA Bill on 4 December, 1973. I must now revert to his earlier legislative activities in his first year in office.

As early as January 1973 Cabinet authorised him to confer with the State Mines Ministers on the construction and operation of a national pipeline system. The State Ministers principally concerned supported the concept. Connor promptly made a submission to Cabinet in February. He reported that the first stage of the national pipeline system would necessarily be the construction of the pipeline from the Cooper Basin Fields in South Australia to Sydney for the conveyance of the gas which had already been purchased under the contract by the Australian Gas Light Company Limited, the holder of the franchise from the N.S.W. government for distribution throughout the Sydney metropolitan area. He also reported that, following requests by the Minister of Mines in Western Australia, a joint study was being made of the use of the gas field at Palm Valley in the Northern Territory as a new source of supply to the eastern goldfields of Western Australia and an additional source of supply to the Perth metropolitan area. This field would also be a source of back up supply to the Adelaide and Sydney metropolitan areas. The N.S.W. government had already stipulated to AGL a timetable for early supply to the metropolitan area of Sydney and, in Connor's view, the Federal government would be bound to adhere to this timetable unless it was to run the risk of much public antagonism.

The national pipeline grid was to terminate the wide disparities in gas prices between states and cities. It was to ensure backup supplies in case of interruption by natural calamities or exhaustion of supply from an individual source. It was to transport natural gas from the North West, where there is far more available than could be used domestically, to the South East, where the main demand for natural gas exists and where the main benefits from conversion from oil to gas by industry would be manifest.

Connor proposed the establishment of a National Pipeline Authority to have the carriage of the planning and construction of a national pipeline system and its subsequent operation and maintenance. He recommended that the authority should comprise 5 persons, a part-time chairman, three part-time members, one of whom would represent the trade unions and another would be, ex-officio, the secretary of his department and a full-time executive member. He proposed that those who would be appointed to the Authority should be retained with the immediate tasks of planning and organising the Authority and advising him on matters connected with the development of the national pipeline system. The Cabinet endorsed Connor's recommendation. The Pipeline Authority Act was introduced on 10 May, 1973, and assented to on 7 June. Mr. James Donald became the full-time executive member and presided over the most significant public work in this continent since the Snowy Mountains enterprise.

Work on the pipeline from Cooper Basin to Sydney was commenced in May, 1974, the first delivery of natural gas to Sydney occurred in December 1975. Mr. Anthony asked Connor to unveil with him the plaque at the opening of the Moomba to Sydney pipeline. The Fraser Government has chosen not to extend the pipeline further, although AGL is now beginning to press on with plans for constructing spur-lines to country towns in New South Wales, for which it will contract the Pipeline Authority. In the absence of a transcontinental pipeline however, Australia is running the risk of exporting an energy source which she may desperately need in the future because short-term profit considerations outweigh longer-term energy requirements.

In tracing Connor's other 1973 legislation I ask you to bear in mind the glib charge that my government tried to do too much too soon. On 4 April, 1973, in his first bill, Connor introduced amendments to the Atomic Energy Act 1963 to make provision, among other things, for prescribed substances in the Territories to become the property of the Commonwealth. Debate on the Bill was resumed and it was passed without opposition on 26 August. The Bill was introduced in the Senate on 30 August. Debate was resumed on 5 November. The sole opposition speaker commended the Bill and conducted his speech by calling "upon the Government in terms of the energy crisis to use to the full the magnificent resources of the Atomic Energy Commission." The Atomic Energy (Prescribed Substances) Regulations were promulgated on 29 March, 1974. They were tabled on the fourth sitting day thereafter, 8 April, 1974. Such regulations can be disallowed by either House within 18 sitting days. Both Houses were simultaneously dissolved on 11 April. After an election in which Connor's legislation fared largely, the Parliament assembled on 6 July. Six days later, Senator Dastick gave notice of a motion to disallow the regulations. There was a joint sitting of both Houses on 6 and 7 August, 1974, at which Connor's legislation was affirmed. Nevertheless on 19 September, Senator Dastick persevered with his motion to disallow the regulations and the motion was carried by a majority of two, including Senator Steele Hall. Thus the regulations for which Connor introduced a Bill on 4 April, 1973, were disallowed 17½ months later. How patient is a major or a government expected to be?

Therefore and thereupon, Connor, Cairns and I had to have discussions with the Electrotype Zinc Company of Australia Limited and Peke Mines Limited concerning the development and mining of uranium ore deposits in the Ranger area in the Northern Territory and the production and sale of uranium concentrate from this ore. We signed an agreement with the managing director and chairman respectively of the two companies on 30 October, 1974. On 26 October, 1975 I signed a Memorandum of Understanding with the managing director and chairman to facilitate the early preparation of formal agreements in relation to the venture. We agreed that these agreements would not become effective until the Government had affirmed them following consideration of (a) the Report of the Ranger Uranium Environmental Inquiry, which had commenced hearings on 9 September, 1975, and (b) the outcome of any claims by Aborigines in respect of land within the Ranger area (in conformity with the procedure under the Aboriginal Land (Northern Territory) Bill 1975 then before the Parliament).

On 10 May, 1973, the day on which Connor introduced the Pipeline Authority Bill, he also introduced the Sea and Submerged Lands Bill. Parts I and II were in the terms of the Territorial Sea and Continental Shelf Bill which had been introduced on 16 April, 1970 on behalf of Mr. McMahon when he was Foreign Minister in the Gorton Government. This Bill remained undebated on the Notice Paper until the Parliament was dissolved at the end of 1973; it was the most important incentive in spurring the five Liberal Parties and the Country Party Fronts to bring down Gorton. Part III of the Sea and Submerged Lands Bill was the offshore mining bill which had been drafted as a companion bill to the Territorial Sea and Continental Shelf Bill and was to follow it in 1970.

On 30 May, 1973, the Senate voted to defer debate on the Sea and Submerged Lands Bill till August. In September, three months after the Senate's failure to pass it, the bill was again passed by the House. This time the Senate passed it with the omission of Part III. The House accepted this amendment on 26 November. The Gorton McMahon bill of April, 1970 had at last become law after a delay of over 3½ years. The State Governments, including the Cairns and Reece governments acting in defiance of their party's policy, challenged the Act in the High Court. The government then introduced Part III of the Act as the Minerals (Submerged Lands) Bill. The House twice passed it but the Senate, on the pretext that the Parliament should await the outcome of the High Court challenge, twice rejected it. This bill became one of those on which Governor-General Kerr, ostensibly on the advice of his appointed Prime Minister, Fraser, dissolved both Houses on 11 November, 1975.

Argument before the High Court concluded on 16 April, 1975. The Court gave its judgement upholding the act on 17 December, four days after the election of the Fraser government. Having now received the judgement which they were anxious to read before passing the Minerals (Submerged Lands) Bill and having, moreover, received a mandate to introduce it and the other bills which were the grounds of the double dissolution, members of the new government did not introduce the Bill. They had frustrated Connor for 3½ years and Gorton and

The State which has been most recalcitrant on this issue has been Western Australia, which is more interested in gaining royalties from the overseas sale of our diminishing fossil fuel reserves than in using them to alleviate any energy problems in Australia. That State brushed the Commonwealth-State Agreement on Offshore Petroleum by unilaterally granting oil exploration permits in October, 1974, without Federal approval, limiting them to the petroleum barely sufficient exploration work to keep one drilling vessel operating, in areas where gas, not oil, would be likely to be found. Eight months later that State's government announced that it would "go it alone" on development of the North West Shelf. It still remains that dear and poignant, yet irresistible many of Western Australia's fuel problems arise from the Grand Government's decision to substitute imported crude oil for Colliem coal for electricity generation. The causes of and the solutions to the energy and mineral problems of each city and State are still matters for national concern and national action.

Concor did not clutter the Cabinet agenda with trivial submissions. He did not prolong Cabinet discussions with interjections which were not relevant to his own responsibilities. He usually was able to achieve the necessary collaboration between other departments and his own outside the Cabinet room. With Jones, who as the first Federal Minister for Transport achieved more in all fields of transport than any of his predecessors as Ministers for Shipping and Transport and Ministers for Civil Aviation, he set out to secure tankers to bring oil to Australia and distribute oil products around Australia and to secure a share for Australia in the carriage of exports of coal and iron ore. With Ulan, the pioneering Minister for Urban and Regional Development, he planned to have the headquarters of the Pipeline Authority, the Bureau of Mineral Resources and the Division of National Mapping established in the growth centre of Bathurst - Orange. He encouraged Willsons and me to extend Australia's diplomatic representation in the Arab world, he was particularly impressed with the talents of the new ambassador, Ian Haig. He encouraged Cairns and Wilech to broach arrangements for secure supplies of oil from the Gulf on their visit to Iran, Saudi Arabia, Kuwait and Bahrain in March, 1975.

Thus, then, did Concor formulate and partially implement Australia's first ever national energy policy. This achievement was all the more significant in that it preceded the oil crisis of 1973; unlike our predecessors, he knew that a shortage of hydrocarbon fuels was inevitable and that national action on energy was vital for the security of Australia. The forces of reaction in Australian society, however, were instrumental in preventing the full implementation of his policy.

His idea was that the Government would assure that Australia would have a proper mix in relation to the various sources of energy, what would be made available and what, if any, could be exported overseas. He initiated funding for the development of solar energy which he steadfastly advocated. He planned the development

of Australia's uranium reserves (The reports of the Ranger Environmental Inquiry under Mr Justice Fox, which I commissioned on 11 July, 1976, have since shown that the problems of waste disposal and of plant safety are far more intractable than Australians realised half a decade ago.) He had dreams of a national gas pipeline grid that would serve each major industrial region in mainland Australia. He was determined that Australia's energy resources would be Australian-Owned at a time when our natural gas reserves were 82% foreign-owned, that there would be an intensive search for crude oil reserves, instead of the old policy of blanket public subsidy for the operations of exploration companies, that Australia's crude oil reserves would be used in the most efficient manner and not, for instance, for electricity generation, that Australia would utilise her vast reserves of coal for domestic consumption and also upgrade her ports so that coal could generate a major part of Australia's export income.

He was a man with a great dream for Australia. He worked tirelessly to bring that dream to reality. He believed passionately in a free and independent place for Australia in the world community. He believed in Australia as a great and growing power, a land of unlimited promise whose heritage would serve mankind. When, in his heroic and fierce crusade for Australian ownership of her natural resources, he was met by widespread misunderstanding, relentless hostility and bitter vilification, he pursued Australia's goals with unswerving fortitude and force. Where lesser men would have yielded, he stood firm for his beliefs. His word was his bond. His opponents are the first to acknowledge that he was meticulous in adhering to commitments he inherited, even if he would not have made them himself, such as the uranium permits given by the McMahon Government in the Northern Territory after the Parliament was dissolved for the 1972 elections and the mineral sands permits given by Spilke Petersen Government on Fraser Island before Federal environmental legislation could be introduced.

He set out to change the course of Australian mineral development. He set out to make it a fair and equitable process, whose benefits everyone could share. Rex Connor has had a permanent impact upon the Australian consciousness. He opened the eyes and raised the spirits of the Australian people. In Ranger and Mary Kathleen he demonstrated that in Australia a government can co-operate with great corporations, local and foreign, in developing our mineral resources. In the BIA and in the BSA he demonstrated that the Australian government can co-operate with the governments of other nations in marketing our mineral resources. In the PMA Bill he demonstrated that the Australian Government has the constitutional authority to give a lead and take a share in discovering, developing and marketing our mineral and energy resources. His vision remains. His tools are at hand. It remains for the Australian public to elect a national government which will pursue the vision and use the tools.

THE CHAMCELLOR:-

Mr Whitlam, ladies and gentlemen: I tender a vote of thanks to Mr Whitlam with great pleasure but, as you can imagine with great impatience, I would imagine that at Canberra the only speaking position less favoured to speaking immediately after Mr Whitlam would have been speaking immediately before him.

You may not know that Mr Whitlam and I have known each other for quite some time. We were rather neo-converted barristers together in the years after what people of my generation called the War. And during that time neither his qualities nor mine were entirely appreciated or even anything like fully explored by members of the public. And we and others like us used to have spare time and we used to spend it drinking coffee, eating quite modest meals, exchanging scandal and gossip and also discussing the problems of the world.

Partly soon a number of things became very apparent about Mr Whitlam, I suppose the first thing that became apparent was that he was a very firm supporter of the Labor Party. The next thing, however, that was even more apparent was that he was a very firm supporter of Australia. He had an immense mind, it may be, and I hope he doesn't mind my saying so, that at times he sought to avoid caution - but he was always avoiding banality.

He had an immense breadth of knowledge, but as well as breadth, he had an immense depth. There was nothing that he touched lightly upon. He did not speak on things about which he did not know an immense amount and I think he has shown that to you tonight.

You may or may not agree with his and Mr Connor's analysis of Australia's material problems, of the policies that should be adopted in respect to them, of the solution to those problems, of the goals to be achieved, but it couldn't possibly be suggested that he and Mr Connor did what they sought to do without a great knowledge of what they were about. I think that he has shown to us what those policies of Mr Connor were, what his goals were. I think that he has shown, although I am sure that you would not want anybody to convince



you, that both he and Mr. Connor were people with firm views about things. No doubt at times they must have had differences of opinion. I only wish I could have been there on one of those occasions. Together they must have been a formidable combination. I hope he doesn't mind my saying that if Sir Lennox was there it must have been even more formidable.

Mr. Connor was a great Australian. He played a great part in Mr. Whitlam's Government. We are very indebted to you, Sir, for coming here tonight and telling us about what he did in that detail which I think, from the point of view of Wollongong and from the point of view of the Historical Society which has arranged the Lecture tonight, will be of the greatest interest and of the greatest value.

May I ask you to join in thanking Mr. Whitlam with me, by acclamation,

The Chancellor's vote of thanks to Mr. Whitlam was carried by extended applause.

